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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
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FROM: Guatemala City

TO: Secretary of State

NO: 273, September 18, 1 p.m.

In conversation yesterday [redacted] assured Embassy he knew of no (repeat no) conspiracy to overthrow President Castillo Armas but admitted he had "considered" a coup as "one of the alternatives". If Castillo and [redacted] fail to reconcile their differences we would expect [redacted] to "consider" all possibilities once more. Whether in that event he would actually attempt use force presumably would depend largely on his estimate support he would receive from the military including officer corp regular army. [redacted] implied doubt that he could at this time count on defection adequate military forces to ensure success. We have the same doubt.

[redacted] agrees that split in anti-Communist forces both undesirable and dangerous and said he would try again reach agreement with Castillo on a formula which would make it possible for him to accept position in government. This would mean acceptance of position as Cabinet officer as Castillo wishes or member five man advisory council as [redacted] prefers. While [redacted] says he agrees with Castillo's statement that "team can have only one captain" basic issue still is: How much power should [redacted] his supporters have in the new government and to what extent would this be in derrogation of Castillo's authority?

Both the Embassy and elements in liberation movement are urging on both men necessity their collaboration in the government until anti-Communist forces have firmly consolidated their position in the country. We should know in next few days what success we shall have. Failure to agree would probably mean a weak cabinet and another element of instability in an already unstable situation.

PEURIFOY

RSP:LJ/11

[redacted]

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